

## UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ☒ ELECTRIC LOGS ☒ WATER SANDS ☐ LOCATION INSPECTED ☐ SUB. REPORT/abd. ☐

DATE FILED NOVEMBER 6, 1996

LAND: FEE &amp; PATENTED

STATE LEASE NO.

PUBLIC LEASE NO.

UTU-70835

INDIAN

DRILLING APPROVED: AUGUST 19, 1998

SPUDDED IN:

COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: LA 10-4-2000

FIELD: WILDCAT

UNIT:

COUNTY: EMERY

WELL NO. YAR FEDERAL 1-18

API NO. 43-015-30304

LOCATION 660 FNL FT. FROM (N) (S) LINE, 660 FWL

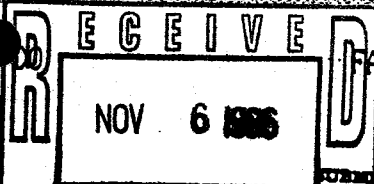
FT. FROM (E) (W) LINE. NW NW

1/4 - 1/4 SEC. 18

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
				20S	7E	18	F L ENERGY INC.

SEP- 1-95 FRI 14:55

MON



FAX NO. 8012592106

P. 02

Form 3160-3  
(December 1990)

**UNITED STATES GAS & MINING  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

**PERMIT IN TRIPLICATE\***  
(Other instructions on reverse side)

Form approved  
Budget Bureau No. 1004-0136  
Expires: December 31, 1991

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

## 1A. TYPE OF WORK

DRILL ☒DEEPEN ☐

## B. TYPE OF WELL

OIL WELL ☒GAS WELL ☐OTHER ☐SINGLE ZONE ☐MULTIPLE ZONE ☒

## 2. NAME OF OPERATOR

F. L. Energy Inc

## 3. ADDRESS AND TELEPHONE

2020 E. 3300 S. SLC. 801-484-6157

## 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

660 FNL - 660 FWL. Sec: 18, T: 20S, R: 7E.

At proposed prod. zone

Kiabab. 7500' +- NWNW

## 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

2 miles West of Ferron, City, Ut.

## 15. DISTANCE FROM PROPOSED

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest city, unit line, if any)

660 FNL - 660 FWL

1.7 mile West

19. PROPOSED DEPTH

7800' - 7745'

20. ROTARY OR CABLE TOOLS

Rotary

21. REMARKS (Show whether DF, RT, GR, etc.)

6200' 6310' (See pad elevation map)

22. APPROX. DATE WORK WILL START

10-1-95

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLES	GRADE/END OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
13 1/2"	10 7/8"	40#	700'	300 SKS Type A
9 5/8"	5 1/2" 15.5#	15.5#	TD. 7800'	500 SKS C1 H

Drill to Kiabab Formation

Test #1 - Ferron SS

#2 = Dakota

#3 = Navajo

#4 = Chinle

#5 = Moenkopi

#6 = Sinhab

#7 = Kaibab

note: The Drill pad is  
Flat enough that major  
Grading or cuts and fills  
will not be necessary.  
Light Grading will be all that's  
necessary.

According to

bookend

1.5, 2

close to

100' 10" 10"

100' 10" 10"

100' 10" 10"

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED

Ray Buckle

TITLE

Asst. Sup

DATE

9-17-95

(This space for Federal or State office use)

PERMIT NO.

43-015-30304

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or expirable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Bradley G. Hill

TITLE

BRADLEY G. HILL

RECLAMATION SPECIALIST III

DATE

8/19/98

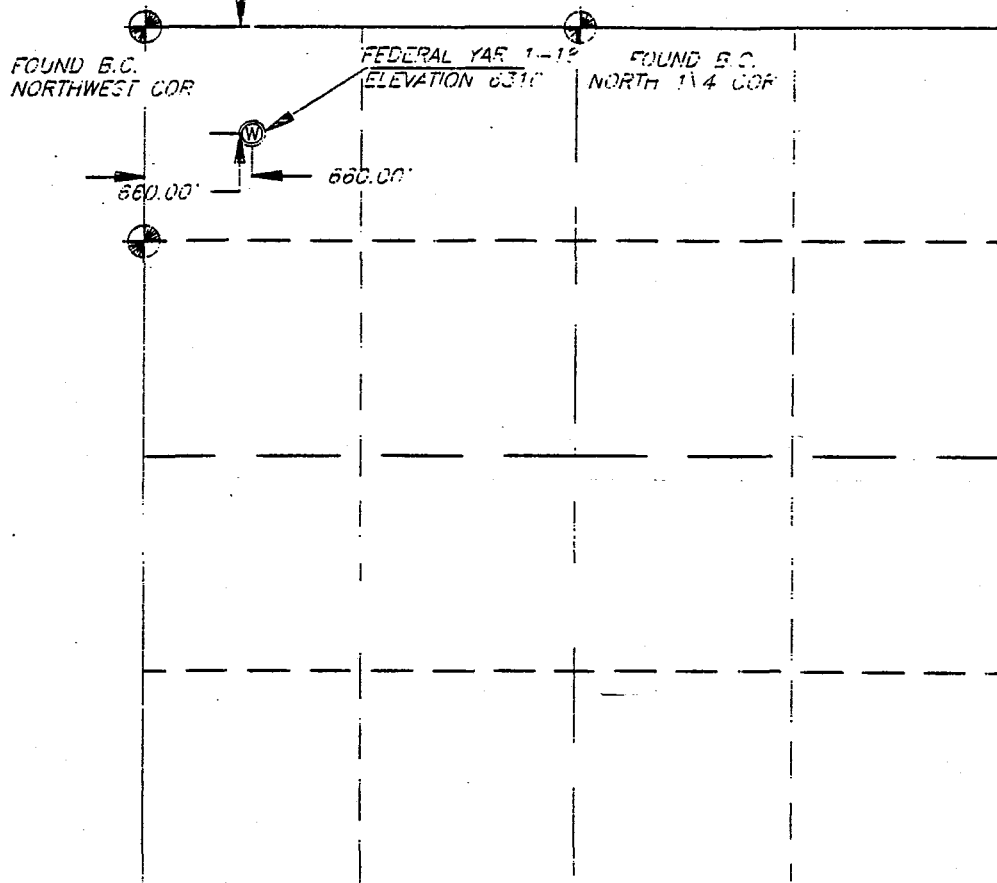
\*See Instructions On Reverse Side

Federal Approval of this  
Action is Necessary

483999.7  
41326155.5

HENRY ALKER MINERAL LEASING  
155 MONTGOMERY SUITE 504  
SAN FRANCISCO CA. 94104

PREPARED BY: Barker & Associates  
35 West Main Street  
Wellington, Utah 84542



1"=1000

Location map for FEDERAL YAR 1-18  
SECTION 18, T-20-S R-7-E S.L.B.&M.

FW. 660.00'

#### Surveyor's Certificate

I, Art F. Barker a duly registered Land Surveyor in the state of Utah do hereby certify that the survey represented by this plat is correct to the best of my knowledge and belief

Art F. Barker

Date 10/10/95

Art F. Barker L.S.  
Utah Reg. No. 162812



PREPARED FOR:  
HENRY ALKER MINERAL LEASING  
HENRY ALKER  
155 MONTGOMERY SUITE # 504  
SAN FRANCISCO CA. 94104  
415 782-6344

UT-050-3180-1

March, 1994

Bureau of Land Management  
Moab District  
Application for Permit to Drill  
On-Site Inspection Checklist

Company F.L. Energy Well No. YAR 1-18

Location: Sec. 18, T. 20 S., R. 7 E., Lease No. \_\_\_\_\_

On-Site Inspection Date \_\_\_\_\_

All operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 5 3100), Onshore Oil and Gas Orders, the approved plan of operations and the conditions of approval. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

**A. DRILLING PROGRAM**

1. Surface Formation and Estimated Formation Tops: Emery Sandstone.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Estimated Depth at Which Oil, Gas, Water or Other Mineral Bearing Zones are Expected to be Encountered

Expected Oil Zones: Depth/Formation  
Sinbad - 7200' - Moenkopi - 7400' -  
Kaikab - 7600'

Expected Gas Zones: Ferron SS - 2700'

Expected Water Zones: ? None.

Expected Mineral Zones: ? None.

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and will be cased and cemented. When possible, water flow rates will be measured and samples will be taken and analyzed with the results being submitted to BLM. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment -include schematics of the BOP and choke manifold, and describe testing procedures: CLASS 3 M., 5000 ~~3000~~ PSI

See BOPS PLAN. ATTACHED-

Dual Ram, Pipe & Blind. Tested Daily and at any equip

2  
6 Question. Hydraulically operated

The (Top Piece) will be a Hydrill or equiv. Rotating Head

BOP systems will be consistent with API RP 53 and Onshore Oil and Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment potentially subject to pressure will be conducted before drilling the surface casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. Ram preventers shall be inspected and operated each trip (no more than once a day is necessary), and annular preventers shall be inspected and operated weekly to ensure good mechanical working order. These inspections shall be recorded in the drilling log and in the daily drilling report.

4. Casing Program and Auxiliary Equipment -include casing size, weight, grade, thread and coupling, setting depth and condition (new or acceptably reconditioned):

10 3/4" H-40, 40# - 500' feet - 300 SX's

Type H Cement w/ 3% CaCl. Returns to Surface.

8rd Thread

5 1/2" 15.5# New 8rd, Set To T.D. Aprx 2800'

Bottom 1200' and 250' of Ferron Pipe will be Centralized

5. Cement -include the cement type, density, yield, additives and amount used in setting each casing string. Also include the anticipated cement fill-up. If stage cementing, describe techniques: 300 SX's Type H Cement.

w/ 3% CaCl - Return to Surface. Pipe will be Centralized

5 1/2": 500 SX CI H Cement - single stage w/ plugs (Drillab)

Ferron Interval will also be cemented. 200 SX

CI H - Utilizing a Cement Retainer, 2 sets per S.

Surface casing shall be cemented back to surface. Centralizers shall be run, at a minimum, on the bottom three joints of each casing string.

6. Mud Program and Circulating Medium -include mud components and weights. When air drilling, also include: length and location of bloole line; description of the auto ignitor; description of the deduster equipment; and amounts, types and characteristics of stand-by mud: Air Drill to Unknown Depth, until Circ. Problem

Mud program to follow. - Bentonite w/ 2% KCl

Aprx 9 lbs/Coal (min mix) Bloole Line 150' Long, Small

Bloole pit - deduster inj & Igniter by Contractor

Due to potential for contamination of usable quality water aquifers, chromates are banned from Federal leases.

Sufficient mud materials will be stored on location to maintain well control and combat lost circulation problems that might reasonable be expected.

7. Coring, Logging and Testing Program: E-Log Run @ Ferron SS.

Sinbad - Moenkopi - Kaibab - Formation's

DST - Sinbad - Moenkopi - Kaibab -

Initial opening of drill stem test tools will be restricted to daylight hours.

8. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards - include anticipated bottomhole pressure and/or pressure gradient. Also list anticipated lost circulation zones, abnormal temperature zones and possible hydrogen sulfide bearing zones: 6.73 PPS

BHP 2730 PSI - .35 gradient (from wells, no overpressured zones or Abnormal Temp. To Basal Karabab.)  
Dakota has had sensitive clays - (Extremely) Ralphs 1-2 -  
H<sub>2</sub>S Gas has not been encountered at this depth.

9. Any Other Aspects of this Proposal that should be Addressed: Drilling has been straight forward in this area  
all associated Drilling equipment and Accessories  
will be that prudent to safe and controlled Drilling  
\* Any produced water will be hauled to an accepted Disposal Site.

B. THIRTEEN POINT SURFACE USE PLAN

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

1. Existing Roads:

- a. Proposed route to location (submit a map depicting access and well location).
- b. Location of proposed well in relation to town or other reference point:  
2 miles west of Ferron City. 1/4 mile South  
of Mill Site Golf Course -  
1 mile west Fossil Pot Camp Ferron Creek # 2  
Kiabab well 7726' - to Kiabab - oil well
- c. Contact the County Road Department for use of county roads. The use of San Juan County roads will require an encroachment permit from the San Juan County Road Department.
- d. Plans for improvement and/or maintenance of existing roads: New Road  
1660 feet from Mill Creek Road.  
Existing Jeep Trail will be graded. Cuts and  
Fills will consist of minor native barrow  
will require only Light Grading -
- e. Other: \_\_\_\_\_

# 2. Planned Access Roads:

- a. Location (centerline): will be stated. This road will  
will be constructed by LT. Grading - Top Soil  
will be Shovel aside - mtl. will be Native Barrow  
- and saved -
- b. Length of new access to be constructed: 1660 Feet
- c. Length of existing roads to be upgraded: 1000 feet
- d. Maximum total disturbed width: 320' feet Twenty feet
- e. Maximum travel surface width: 10' feet

- f. Maximum grades: 3°  
No major cuts or fills will be required at  
this phase. Location and access can be  
accomplished by lot grading
- g. Turnouts: None
- h. Surface materials: SAND Stone, Clay  
Disturbance will be kept to a minimum  
at this phase
- i. Drainage (crowning, ditching, culverts, etc): None
- j. Cattleguards: None
- k. Length of new and/or existing roads which lie outside the lease or unit boundary for which a BLM right-of-way is required: 200'
- l. Other: If this well is productive, access road  
will be brought to Resource Road st. cl 3

Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed must be approved by the Area Manager in advance.

If a right-of-way is necessary, no surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved. The holder will adhere to conditions of approval in the Surface Use Program of the approved APD, relevant to any right-of-way facilities.

If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. In the event of an automatic amendment to this right-of-way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of a boundary adjustment. Rental fees, if appropriate shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.

If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligations determined by the authorized officer.

If the well is productive, the access road will be rehabilitated or brought to Resource

(Class III) Road Standards within 60 days of dismantling the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

3. Location of Existing Wells -on a map, show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each: producing well: Ferron Creek #2  
NE, NE Sec 17, T: 20 S, R: 7E.

4. Location of Production Facilities:

- a. On-site facilities: See map of Area Site Plan
- b. Off-site facilities: See map of Area Site Plan
- c. Pipelines: See map of Area Site Plan.

All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities will be painted within six months of installation. Facilities required by comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will be as follows: LT Brown.

All site security guidelines identified in 43 CFR § 3162.7-5 and Onshore Oil and Gas Order No. 3 shall be followed.

If a gas meter run is constructed, it will be located on lease within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR § 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

If a tank battery is constructed on this lease, it will be surrounded by a berm of sufficient capacity to contain 1 ½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall conform to the provisions of 43 CFR § 3162.7-3 and Onshore Oil and Gas Order No. 4.



Production facilities on location may include a lined or unlined produced water pit as specified in NTL-2B. If water is produced from the well, an NTL-2B application must be submitted.

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from (describe location and/or show on a map): Ferron City.

A temporary water use permit for this operation will be obtained from the Utah State Engineer in Price, Utah at (801) 637-1303

Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of the land.

6. Source of Construction Material:

Pad construction material will be obtained from (if the source is Federally owned, show location on a map): ON Site native Barrow

The use of materials under BLM jurisdiction will conform to 43 CFR § 3610.2-3.

7. Methods of Handling Waste Disposal:

Describe the methods and locations proposed for safe containment and disposal of waste material, e.g. cuttings, produced water, garbage, sewage, chemicals, etc.

The reserve pit will be lined with (native material, bentonite, synthetic material):  
Synthetic Material, garbage will be in separate container  
and hauled off - Chem Toilet (Portable) will be brought in  
Produced water will be hauled to Accepted Disposal site  
cuttings will be buried with blower pit  
The reserve pit will be located: ON SITE, mid side for  
Truck access, and the pit walls will be sloped at no greater than 1 to 1.

The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. As soon as the reserve pit has dried, all areas not needed for production will be rehabilitated.

✓ Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations.

8. Ancillary Facilities: 2 - 17' Trailers, 1 Doghouse

9. Well Site Layout -depict the pit, rig, cut and fill, topsoil, etc. on a plat with a scale of at least 1" = 50'.

All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR § 3162.6.

Access to the well pad will be from: North.

The blooie line will be located: See map of Site Plan.  
\_\_\_\_\_, at least 100 feet from the well head.

To minimize the amount of fugitive dust and spray escaping from the blooie pit, the following blooie line deflection method will be employed: water rejection.

10. Plans for Restoration of the Surface:

The top 6 inches of topsoil material will be removed from the location and stockpiled separately on: one end of location  
opposite Access Rd

Topsoil along the access road will be reserved in place adjacent to the road.

Immediately upon completion of drilling, all equipment that is not necessary for production shall be removed.

The reserve pit and that portion of the location not needed for production will be reclaimed.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

All road surfacing will be removed prior to the rehabilitation of roads.

Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.

All disturbed areas will be recontoured to replicate the natural slope.

The stockpiled topsoil will be evenly distributed over the disturbed area.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

Seed will be broadcast or drilled between \_\_\_\_\_ and \_\_\_\_\_, or at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The following seed mixture will be used: As per BLM or State

The abandonment marker will be one of the following, as specified by BLM:

- 1) at least four feet above ground level,
- 2) at restored ground level, or
- 3) below ground level.

In any case the marker shall be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

Additional requirements: \_\_\_\_\_

11. Surface and Mineral Ownership: Federal - Leaser H. Alker.

12. Other Information:

a. Archeological Concerns: none expected. Advise

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five (5) working days, the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- a time frame for the AO to complete an expedited review under 36 CFR § 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

- b. Threatened and Endangered Species Concerns: \_\_\_\_\_  
\_\_\_\_\_
- c. Wildlife Seasonal Restrictions (yes/no): Possibly Fawning in  
Late Sep.
- d. Off Location Geophysical Testing: No
- e. Drainage crossings that require additional State or Federal approval: \_\_\_\_\_  
\_\_\_\_\_
- f. Other: \_\_\_\_\_  
\_\_\_\_\_

13. Lessee's or Operator's Representative and Certification

Representative:

Name: Ray Buckland  
Title: field Sup.  
Address: 474 No Fairgrounds Rd  
Price Llt 84561  
Phone No.: 801-637-7726

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by \_\_\_\_\_

and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under BLM bond no. \_\_\_\_\_. This statement is subject to the provisions of 18 U.S.C. § 1001 for the filing of a false statement.

Ray Buckland  
Signature  
field Sup.  
Title  
8-17-95  
Date

### C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Building Location- Contact the Resource Area, Natural Resource Protection Specialist at least 48 hours prior to commencing construction of location.

Spud- The spud date will be reported to the Resource Area Office 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within 24 hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the District Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR § 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Authorized Officer. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the Resource Area in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Area Manager is to be notified.

First Production- Should the well be successfully completed for production, the District Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five (5) business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Resource Area Office. The Resource Area Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR § 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the District Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the District Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomical is granted. In such case, compensation to the lessor shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- Produced waste water may be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, along a water analysis, if required, will be submitted to the District Office for approval pursuant Onshore Oil and Gas Order No. 7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the District Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the District Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the District Office, within thirty (30) days following plugging and abandonment of the well. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR § 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

TABLE 1

NOTIFICATIONS

Notify \_\_\_\_\_ of the \_\_\_\_\_ Resource Area, at \_\_\_\_\_ for the following:

2 days prior to commencement of dirt work, construction or reclamation;

1 day prior to spudding;

50 feet prior to reaching surface and intermediate casing depths;

3 hours prior to testing BOPE;

12 hours prior to reaching kickoff point depth (if applicable).

If the person at the above number cannot be reached, notify the Moab District Office at (801) 259-6111. If unsuccessful, notify one of the people listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab District Office, Branch of Fluid Minerals at (801) 259-6111. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer

Office: (801) 259-6111

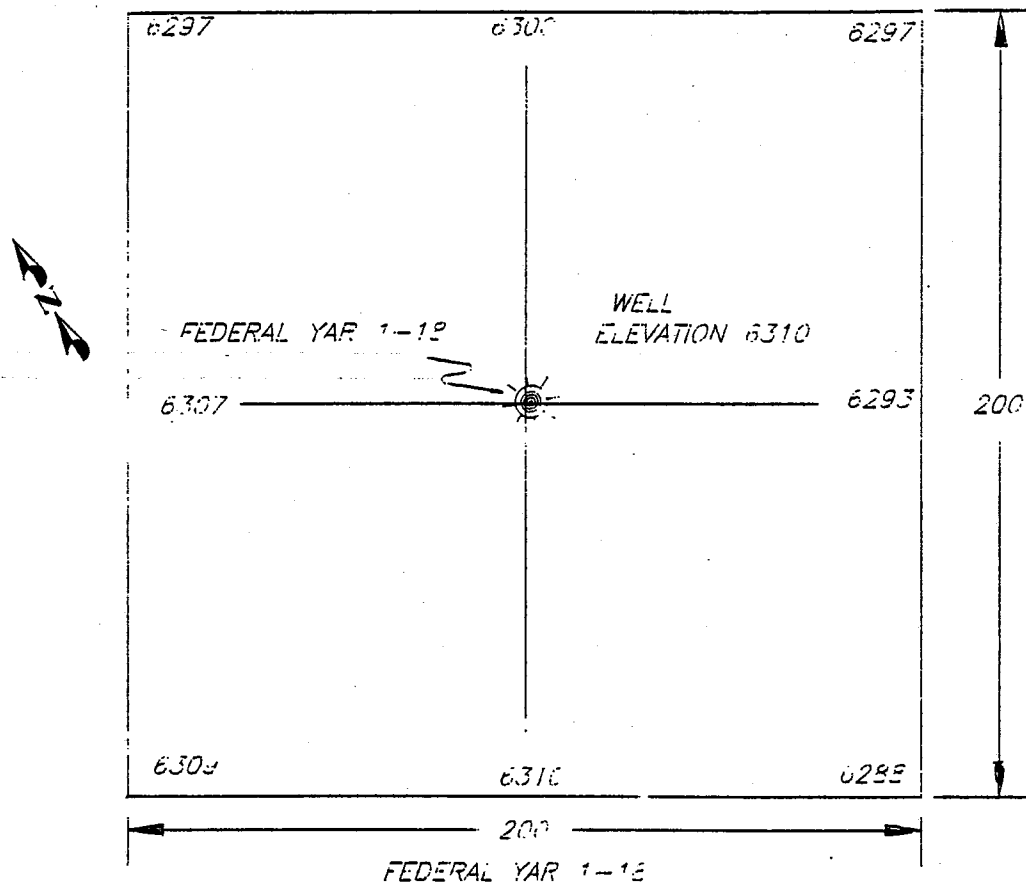
Home: (801) 259-2214



# PAD LOCATION ELEVATIONS

HENRY ALKER MINERAL LEASING  
155 MONTGOMERY SUITE 504  
SAN FRANCISCO CA. 94104

PREPARED BY Barker & Associates  
38 West Main Street  
Wellington, Utah 84542



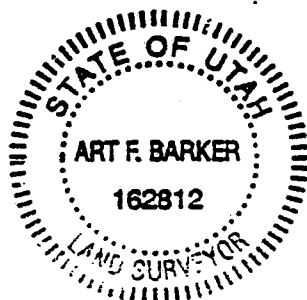
SECTION 15 TOWNSHIP 20 SOUTH RANGE 7 EAST SLEB&M

## Surveyor's Certificate

I, Art F. Barker, a duly registered Land Surveyor in the state of Utah do hereby certify that the survey represented by this plat is correct to the best of my knowledge and belief.

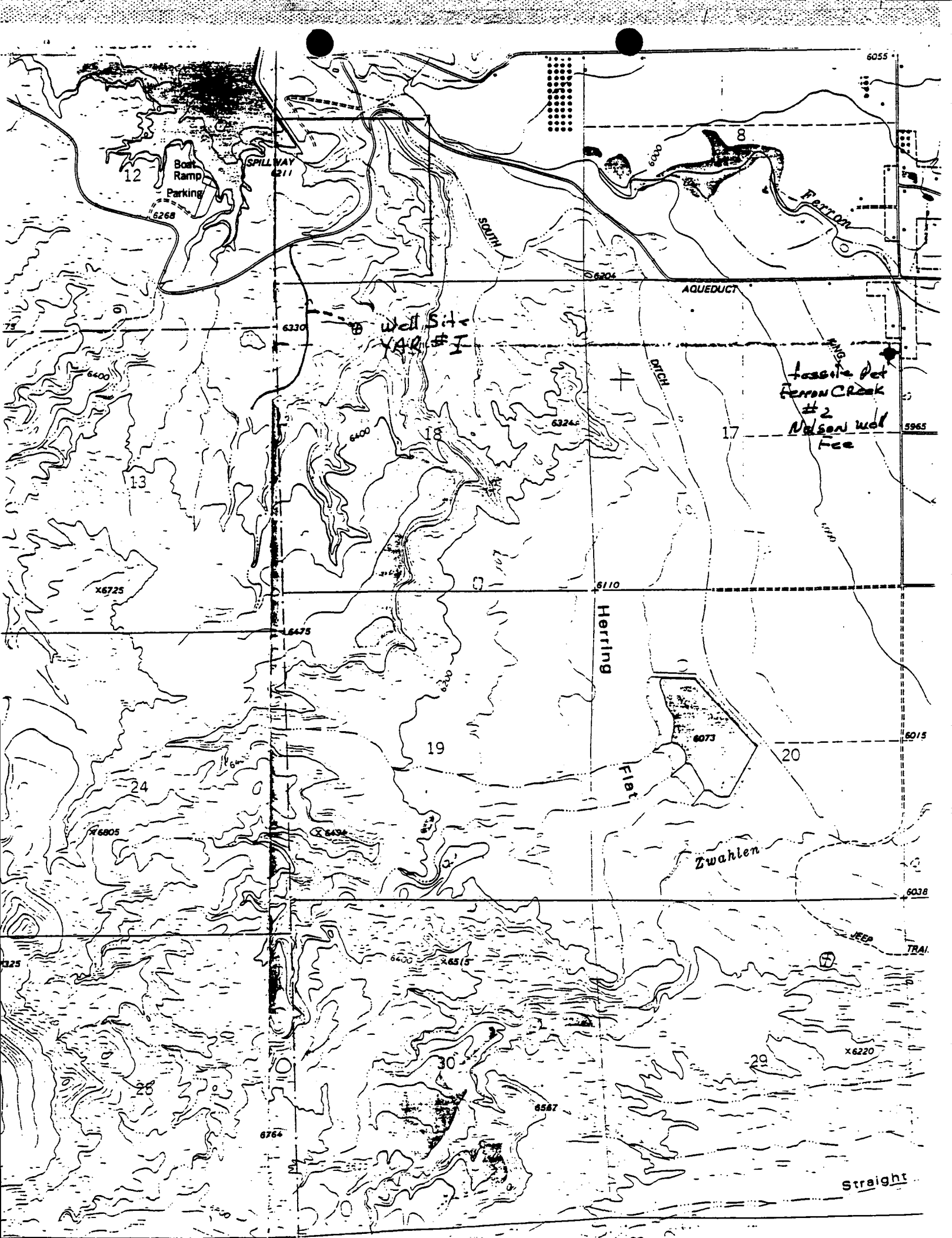
Art F. Barker  
Art F. Barker, LS  
Utah Reg. No. 162812

Date 10/10/95

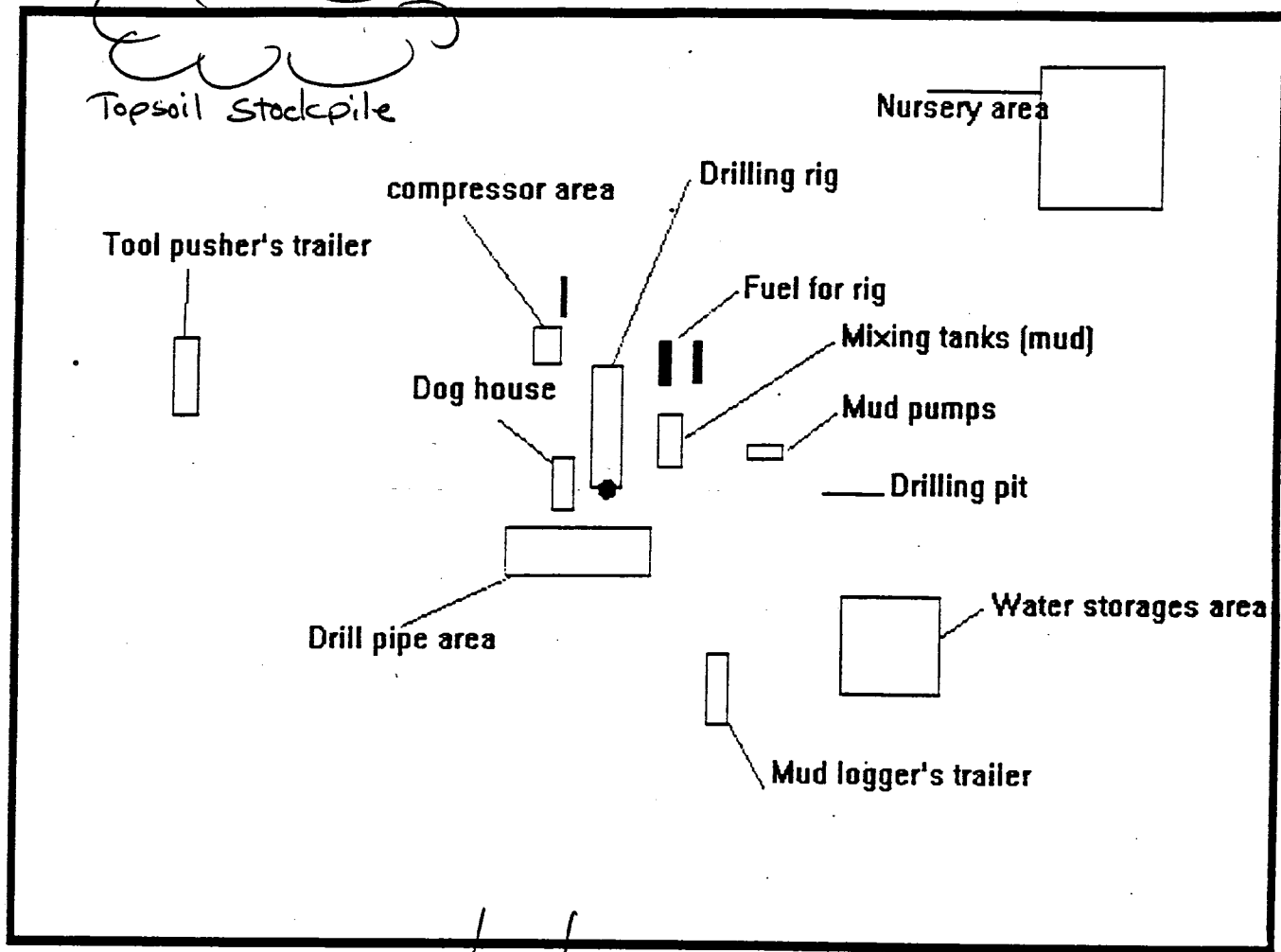


PREPARED FOR:

HENRY ALKER MINERAL LEASING  
HENRY ALKER  
155 MONTGOMERY SUITE # 504  
SAN FRANCISCO CA. 94104  
415 771-6744



# Drilling Layout



Tops from Ferron Creek #2 well  
(43-015-30040)

recalculated using  
depths listed at left

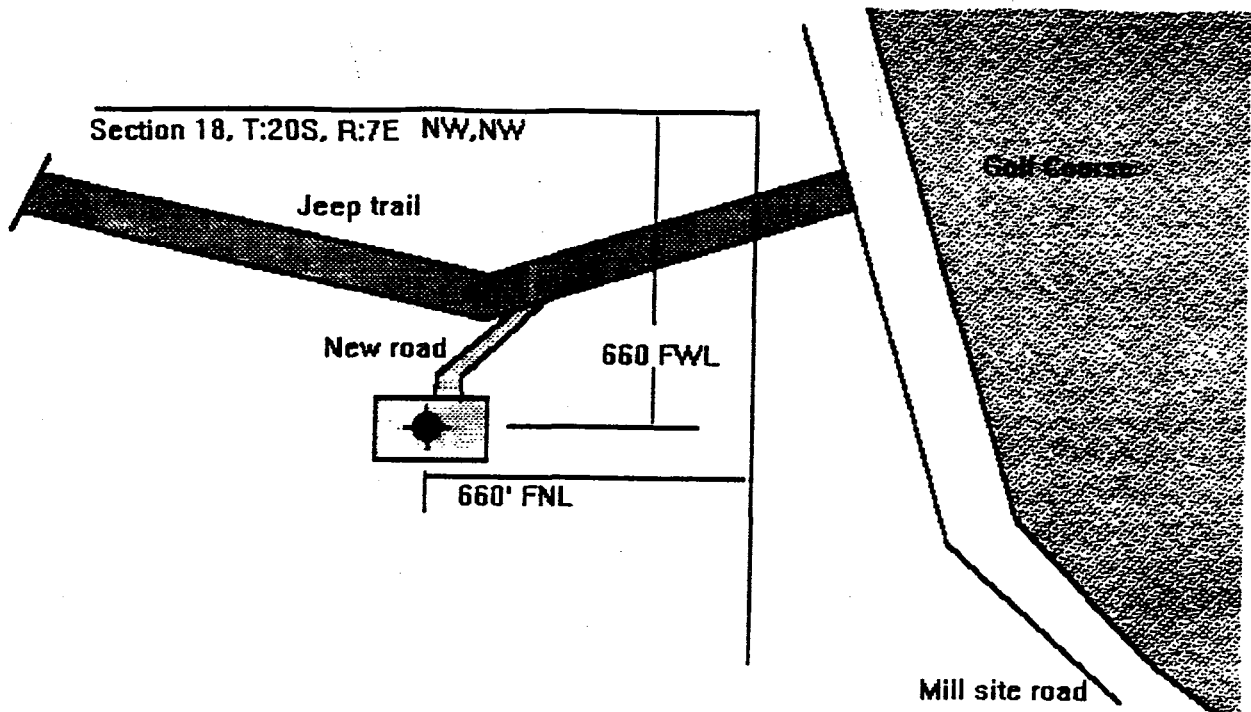
Formation	Depth to Top	Thickness	Datum	
Mancos	Surface	1370'	5984'	K.B.
(Ferron)*	1374'	905'	4614'	4610 (4614)
Tanank?	(1370)			
Dakota	2275'	80'	3709'	3709
Cedar Mountain	2355'	655'	3629'	3629
Morrison	2600'	540'	2974'	3384 (2974)
	(3010)			
Summerville	3080'	370'	2434'	2904 (2434)
	(3550) > 479'			
Curtis	3559'	215'	2064'	2425 (2064)
	(3920) > 90			
Entrada	3649'	655'	1849'	2335 (1849)
	(4135) > 831'			
Carmel	4480'	560'	1194'	1504 (1194)
	(4790) > 870'			
Navajo	5350'	550'	634'	634
	- 550'			
Kayenta	5900'	200'	84'	84
Wingate	6100'	220'	-116'	-116
Chinle	6380'	235'	-336'	-336 (-336)
	(6320)			
-Shinarump	6555'	65'	-571'	-571
-Moenkopi*	6650'	670'	-636'	-636
	- 40			
--(Sinbad)*	7290'	150'	-1306'	-1306
	- 150			
--(Lower Moenkopi)*	7440'	200'	-1456'	-1456
	- 200			
-Kaibab*	7640'	-0-	-1656'	-1656
	(7620)			
TOTAL DEPTH:		7745'		

(xxxx) - depths reported by PE for Ferron Crk #2

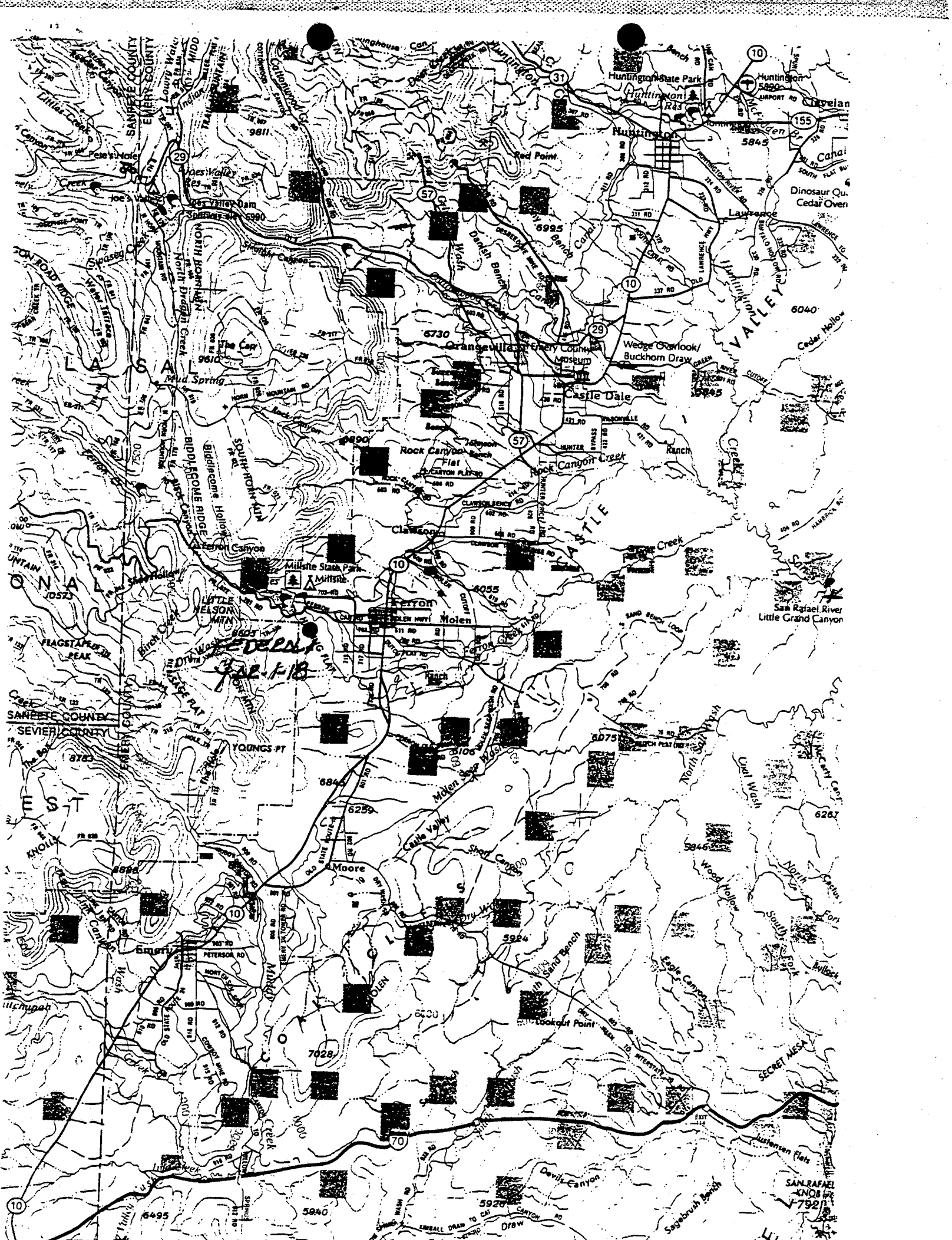
(xxxx) - Subsea  
calculated from  
PE tops

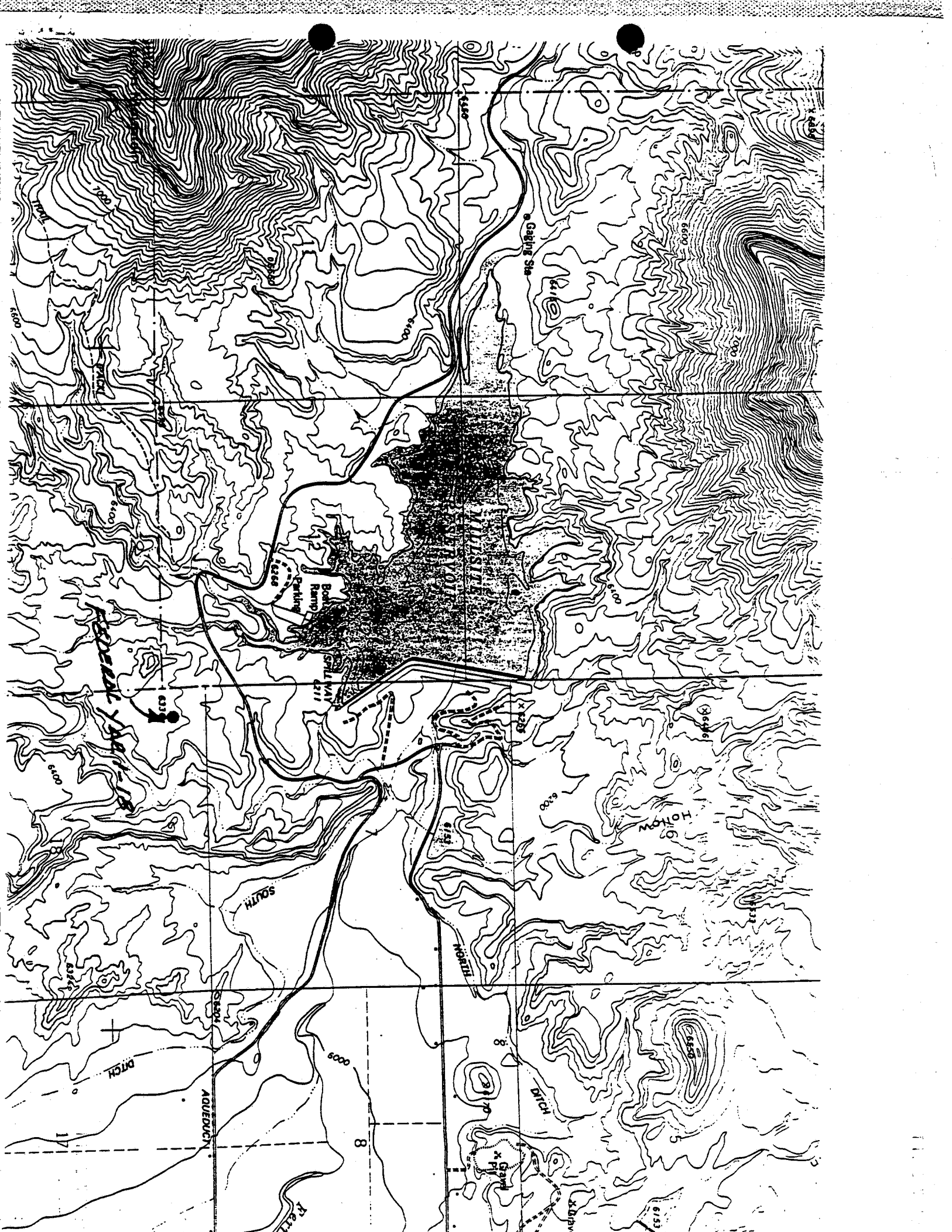
\* The first 2 tops & KB correspond w/ the Ferron Crk #2 tops reported by PE

\* Ray, Loomis and said these tops are from the same well as the first two



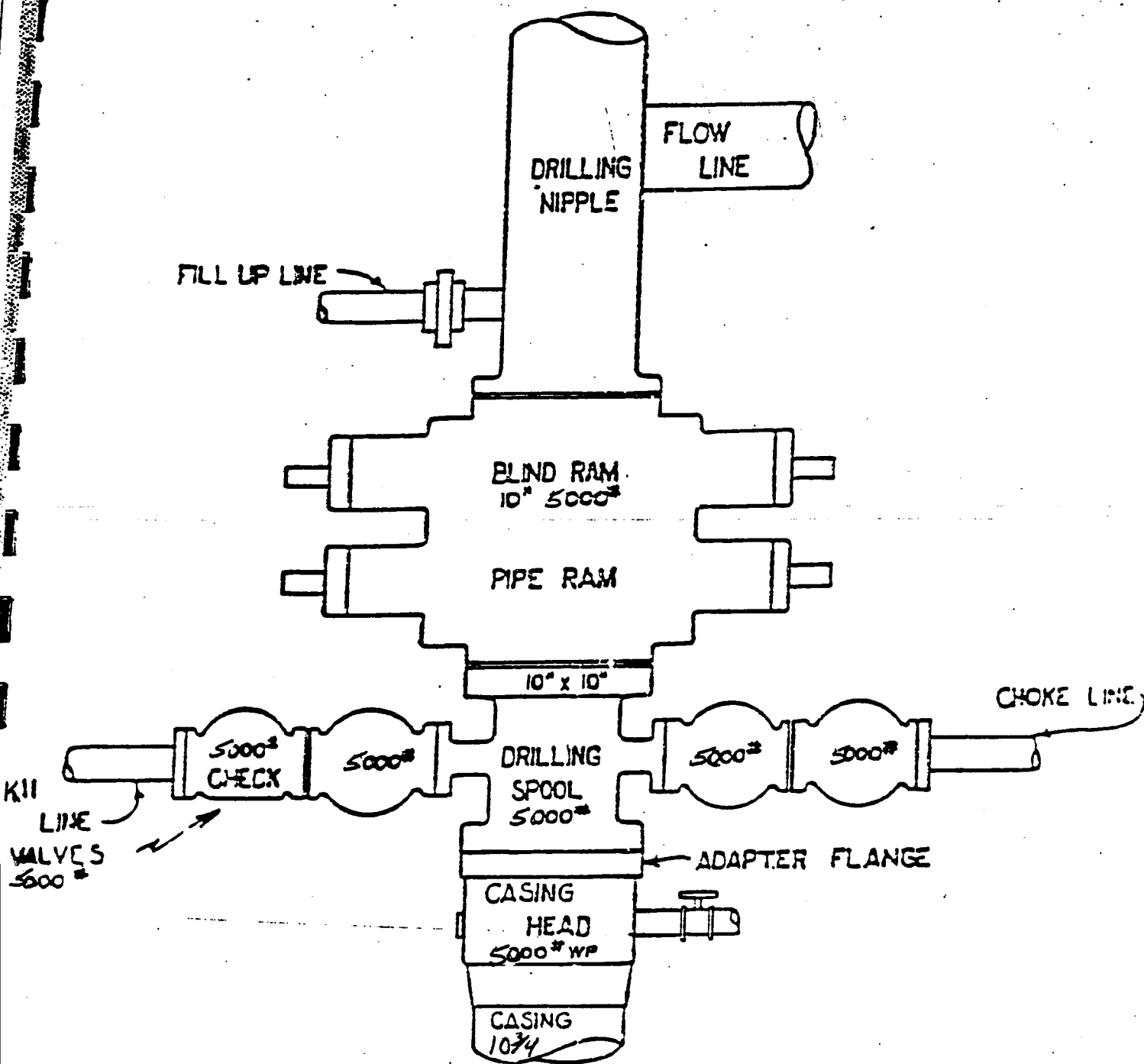








Rotating Head



F-L Energy Corp.  
BLOWOUT PREVENTER DIAGRAM

yar Fed H-18

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.

UTU 70835

6. If Indian, Allotment or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

VAR Federal 1-18

9. API Well No.

10. Field and Pool, or Exploratory Area

wildcat

11. County or Parish, State

Emery, UT

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

FL Energy Corp

3. Address and Telephone No.

2020 E 3300 S #26 SLC UT 84109 - (801) 484-6157

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660 FNL 660 FWL  
Sec 18 T20S, R7E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☒ Altering Casing For APD  
☐ Other  
☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Proposed Casing Design for APD.

Surface: 13 3/4" O.H., 11 3/4", 54# K55 8rd casing. TD 200'  
Cement to surf w/ 75 sx Cl H Cement 2% Cacl.

Intermediate: 10 5/8" O.H., 8 5/8" 36# n 80 8rd Thr/cpl Casing  
TD 2100' cmt w/ 165 sx Cl H Cement

Liner - 7 7/8" Hole - 5 1/2" 17# ~~40#~~ n 80 8rd casing  
TD 7800' cmt w/ 260 sx Cl H cmt.

Schematic Attached

14. I hereby certify that the foregoing is true and correct

Signed Jim Hemmaway

Title Consultant

Date 10-17-96

(This space for Federal or State office use)

Approved by  
Conditions of approval, if any:

Title

Date

10 5/8" Drilled  
open hole  
(Air Drilled)

Cement Top 1500' →

Top Ferron SS  
Aprx 1700' —

Basal Ferron 1900' —

T.D. 8 5/8" 36# N80  
Casing - 8 rd Thr.  
2100'  
(Intermediate) →

Attachment To APD  
10-17-96. JH

Casing Schematic  
for yar Fed 1-18  
Sec 18, T20S, R7E  
Emery Co UT  
Lease UTA-70835

← 13 3/4" open Hole  
for surf. casing  
Annular Cap .2781 ft<sup>3</sup>/ft

— T.D. 200', 11 3/4" 54#  
K55 Casing - 8rd Thr.  
Cmt w/ 75 Sx CL H  
Circ to surf.  
(75 Sx is 33% Excess)  
Calc added

← 165 Sx CL H Cmt  
(30% over Cal for Top)

— Annular Cap. .2100 ft<sup>3</sup>/ft

← Liner top 1940'

← 5 1/2" 17# N80 Liner

— 7 7/8" open Hole,  
Drilled w/ Bentonite mud  
+ KCL 2%

— Annular Cap .1732 ft<sup>3</sup>/ft

— 6600' Cal Cmt Top  
260 Sx CL H Cement  
(30% over for Cal. Top)

T.D. 7800" Liner

NOTICE OF STAKING (Not to be used in place of Application for Permit to Drill Form 3160-3)		6. Lease Number <u>UTU - 70835</u>
1. Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> (Specify)	7. If Indian, Allottee or Tribe Name	
2. Name of Operator: <u>F.L. Energy, INC.</u>	8. Unit Agreement Name	
3. Name of Specific Contact Person: <u>Paul Pullman.</u>	9. Farm or Lease Name	
4. Address & Phone No. of Operator or Agent <u>2020 East 3800 South. 801-488-0744</u> <u>Salt Lake City, Ut. 801-484-6157</u>	10. Well No. <u>YAR - Federal 1-18</u>	
5. Surface Location of Well  Attach: a) Sketch showing road entry onto pad, pad dimensions, and reserve pit. b) Topographical or other acceptable map showing location, access road, and lease boundaries.	11. Field or Wildcat Name <u>wildcat</u>	
	12. Sec., T., R., M., or Blk. and Survey or Area <u>Sec 18 - T. 20S, R 7E</u>	
	13. County, Parish or Borough <u>Emery</u>	
	14. State <u>Ut.</u>	
15. Formation Objective(s) <u>Kaibab</u>	16. Estimated Well Depth <u>7745'</u>	
17. Additional Information (as appropriate; must include surface owner's name, address, and telephone number)  <u>Federal Lease - Leases by H. Allen.</u>		

18. Signed Ray Buehl Title Field Sup  
Date 8-17-95 - 801-637-7726

Note: Upon receipt of this Notice, the Bureau of Land Management (BLM) will schedule the date of the onsite predrill inspection and notify you accordingly. The location must be staked and access road must be flagged prior to the onsite.

Operators must consider the following prior to the onsite:  
a) H<sub>2</sub>S Potential  
b) Cultural Resources (Archaeology)  
c) Federal Right-of-Way or Special Use Permit.

(IMPORTANT: SEE REVERSE SIDE FOR INSTRUCTIONS)

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/06/96

API NO. ASSIGNED: 43-015-30304

WELL NAME: YAR 1-18  
OPERATOR: F L ENERGY (N2120)  
CONTACT: Gim Hemingway 972-5570

PROPOSED LOCATION:  
NWNW 18 - T20S - R07E  
SURFACE: 0660-FNL-0660-FWL  
BOTTOM: 0660-FNL-0660-FWL  
EMERY COUNTY  
WILDCAT FIELD (001)

LEASE TYPE: FED  
LEASE NUMBER: UTU - 70835  
SURFACE OWNER: Federal

INSPECT LOCATION BY: / /

TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

PROPOSED FORMATION: KBAB

RECEIVED AND/OR REVIEWED:

☒ Plat  
☒ Bond: Federal ☒ State[] Fee[]  
(No. KT 1013 \*Confirmed w/BLM)  
☒ Potash (Y/N)  
☒ Oil Shale (Y/N) \*190-5(B)  
☒ Water Permit  
(No. Ferron City)  
☒ RDCC Review (Y/N)  
(Date: \_\_\_\_\_)  
N/A St/Fee Surf Agreement (Y/N)

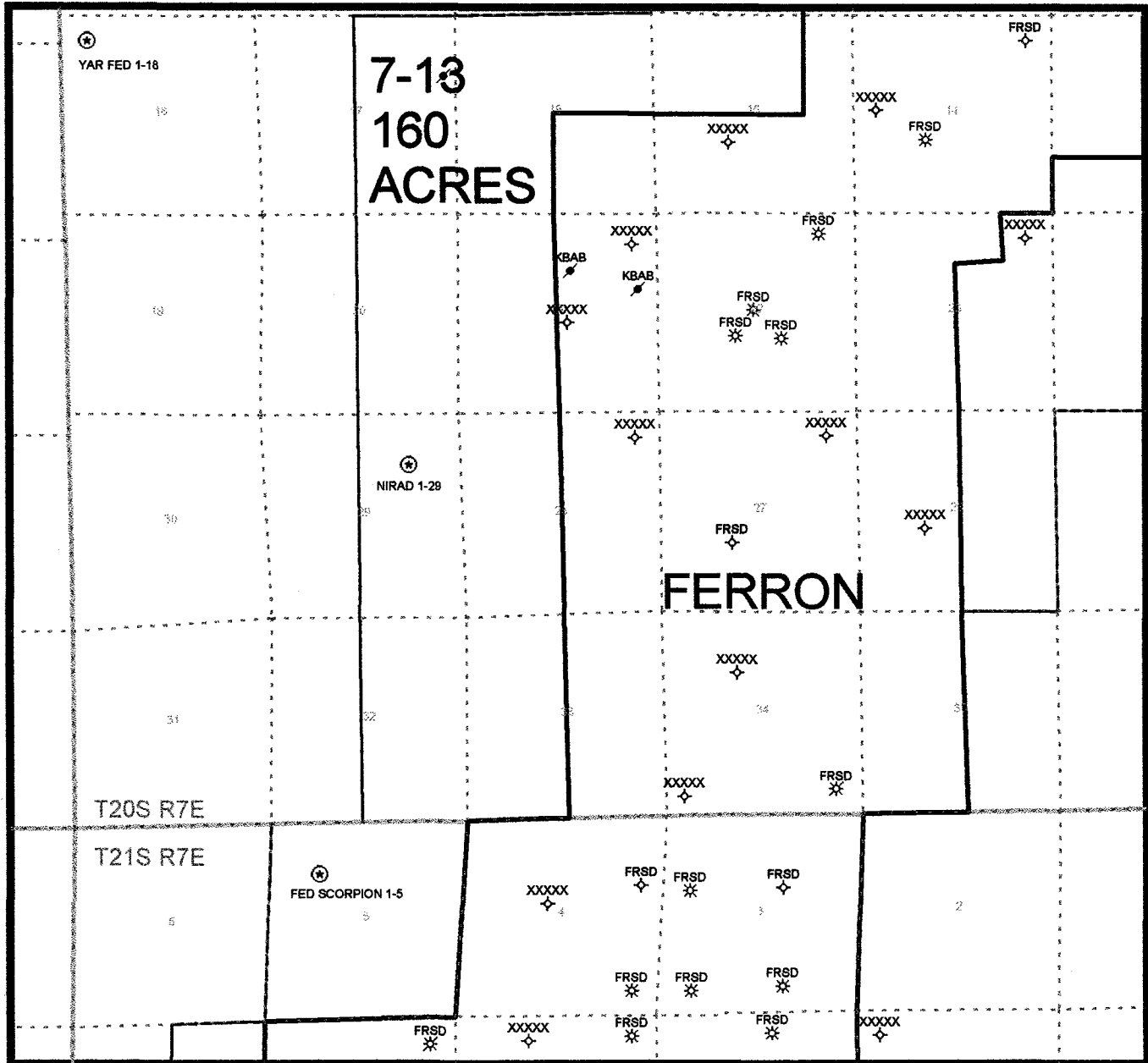
LOCATION AND SITING:

\_\_\_\_ R649-2-3. Unit \_\_\_\_\_  
☒ R649-3-2. General  
\_\_\_\_ R649-3-3. Exception  
\_\_\_\_ Drilling Unit  
\_\_\_\_ Board Cause No: \_\_\_\_\_  
\_\_\_\_ Date: \_\_\_\_\_

COMMENTS:

STIPULATIONS: ① FEDERAL APPROVAL

OPERATOR: FL ENERGY  
FIELD: UNDESIGNATED (002)  
SEC, TWP, RNG: 18,29,5 T20&21S, R7E  
COUNTY: EMERY  
UAC: R649-3-2 & CAUSE No. 7-13 160 ACRES



PREPARED:  
DATE: 6 NOV 96  
8/98 Same per MH



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt  
Governor

Lowell P. Braxton  
Division Director

August 19, 1998

F. L. Energy Corporation  
2020 East 3300 South, Suite 26  
Salt Lake City, Utah 84109

Re: Yar Federal 1-18 Well, 660' FNL, 660' FWL, NW NW, Sec. 18,  
T. 20 S., R. 7 E., Emery County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-015-30304.

Sincerely,

A handwritten signature in black ink, appearing to read 'John R. Baza'.  
John R. Baza  
Associate Director

lwp

Enclosures

cc: Emery County Assessor  
Bureau of Land Management, Moab District Office

Operator: F. L. Energy, Inc.  
Well Name & Number: Yar Federal 1-18  
API Number: 43-015-30304  
Lease: UTU-70835  
Location: NW NW Sec. 18 T. 20 S. R. 7 E.

### Conditions of Approval

1. General  
Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.
2. Notification Requirements  
Notify the Division within 24 hours prior to spudding the well. Contact Jim Thompson at (801)538-5336.  
  
Notify the Division prior to commencing operations to plug and abandon the well. Contact Dan Jarvis at (801) 538-5338 or Robert Krueger at (801) 538-5274.
3. Reporting Requirements  
All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.
4. State approval of this well does not supersede the required federal approval which must be obtained prior to drilling.





State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

October 4, 2000

Lynn Kano  
F L Energy  
2020 East 3300 South, Suite 18  
Salt Lake City, Utah 84109

Re: APD Rescinded – Yar Fed 1-18 Well, Sec. 18, T. 20S, R7E, Emery County, Utah  
API No. 43-015-30304

Dear Mr. Kano:

The Application for Permit to Drill for the subject well was approved by the Division of Oil, Gas and Mining on August 19, 1998. No drilling activity at this location has been reported to the division. Due to the excessive time delay in commencing drilling operations, approval to drill the well is hereby rescinded, effective immediately.

Please note that a new Application for Permit to Drill must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

Lisha Cordova  
Eng. Technician

cc: Well File  
Bureau of Land Management, Moab